



Fair Parental Leave Fact Sheet

If you are in a paid job and thinking of having a baby, taking time out is likely to leave a hole in your budget. You might even delay the decision to have children unless you are in the minority of women who have a reasonably generous paid parental leave scheme.

What is the problem?

In most families with young children, both parents are likely to be in either full or part-time paid work. According to the Australian Bureau of Statistics:

- In 2008 the labour force participation rate for women with children aged less than five years was 53%, an increase of 6% since 1999
- In 2006 65.6% of partnered mothers were in the workforce, compared to 59% of single mothers

This participation rate, though increasing, is low compared to other OECD countries.

- For women of child-bearing aged (25 to 44 years), Australia ranked 11th lowest (of 30) in terms of participation, behind Canada, the US and the UK¹

If you have worked for the same employer for at least 12 months, you will be entitled to 12 months unpaid maternity leave. The amount of paid leave to which you would be entitled will vary from none to twenty-six weeks depending on your employer. There is no general entitlement to paid leave and Australia does not have a universally available parental leave scheme.

This puts Australia behind almost all other developed countries and many less developed. Universal paid parental leave has been advocated for many years in Australia. Most attempts to introduce it have ended in another baby payment rather than workforce leave. This is because politicians do not wish to appear to favour working mothers.

Paid parental leave is important because women can maintain their employment while earning their paid leave. They do not have to give up work. It increases the choices for parents and legitimates the connection between work and family responsibilities.

If women do not have a paid job to return to after having a baby, they are more likely to end up in poverty, particularly if their marriage breaks down and they become single parents.

¹ Productivity Commission working paper “Workforce Participation Rates: How Does Australia Compare?” Joanna Abhayaratna & Ralph Lattimore

What needs to be done?

Labor and Coalition parties have proposed paid parental schemes. The Labor scheme is offering 18 weeks at the minimum wage while the Coalition scheme offers 26 weeks leave at replacement pay rates.

Both schemes have problems.

The Labor scheme is due to commence from January, 2011. Mothers giving birth after that date are guaranteed \$570 for 18 weeks if they meet the workforce requirements. The scheme is a payment which funds unpaid leave entitlements for those with employment continuity. It requires employers to administer the payments through the wages system, but direct payments are made to newer employees and casuals.

The Coalition scheme is a direct payment through the social security system. It would only commence if the Coalition attains government and then, not until July, 2012. It is planned to be funded from a levy on big companies and will be paid directly by government which undermines any notion that it is a leave entitlement. It will be a payment at the mother's pay rate creating a disincentive for fathers who may wish to take some leave to care for their child if their rate of pay is higher than their partners.

Both schemes need improvement. Both need to be a clear workforce entitlement for parents with a right of return to the job.

WEL will be using our Feminist Policy Framework to lobby government for policies the increase fairness.

- *Ensure the costs and benefits are fairly distributed between women and men, as well as between different groups of women*
- *Value and reward fairly people's different skills, experiences and contributions*
- *Recognise the value of caring and supporting roles, whether paid or unpaid*
- *Recognise and rectify past and current inequalities and between men and women; and*
- *Enhance opportunities for both women and men to take on equal rights and responsibilities in all aspects of society: politics, community, employment and social life*

What can you do?

Ask your local member

- How long they think paid parental leave should be?
- Whether they think people should receive their full pay rate?
- Whether it should be funded by an employer tax?
- If at full pay rates should fathers be eligible for their pay level?

Make your voice heard for fairness